

SHEEP CREEK WATER COMPANY
Regular Board of Directors Meeting
November 7, 2019 ~ 6:30 PM
Sheep Creek Water Company ~ Board Room
4200 Sunnyslope Road, Phelan, CA 92371

The Regular Board of Directors Meeting of November 7, 2019, was called to order by Board President Andy Zody, at 6:40 PM. Tonight's meeting was held at the office of Sheep Creek Water Company, located at 4200 Sunnyslope Road. Mr. Zody reminded everyone present, that tonight's meeting was being recorded for the accuracy of the minutes. Mr. Zody led in tonight's Flag Salute, and Mr. Howard led in the Invocation.

Director's Present: President Andy Zody, Vice President Bob Howard, and Secretary/Treasurer Kellie Williams

Staff Present: General Manager Chris Cummings, and Administrative Secretary April Chaplin

Guest's Present: The Board welcomed Shareholders Richard Trower and Richard Austin. Also present was Mountaineer Progress Reporter Michael Palecki and Real-estate agent, Carmen Scherubel.

Consent Motions: Bob Howard moved to accept the Consent Motions of November 7, 2019 as presented. Kellie Williams seconded the motion. Motion carried.

Open Forum: Mr. Zody explained that under this item any member of the Board or Public may address the Board on items not on the Agenda. However, under Ab 240 the Board is prohibited on taking any action on an item not appearing on the agenda.

Carmen Scherubel ask the Board if there has been a response from the State Water Board. There was discussion as to the lack of response from the State along with discussion regarding the CEQA process for the Source Capacity Project. Ms. Scherubel also asked if the Company had the funding for wells. Chris Cummings stated that information has been submitted to the bank and the line of credit is currently in underwriting. Mr. Cummings also stated that the funds for the CEQA are currently being paid with existing funds that are being collected through Tier 3.

Old Business:

a.) System Update

Chris Cummings reported that static water levels have not had much change. The water levels compared to one year ago are an average of 14 – 29 feet higher than this time last year. Wells #5 and 8 are running between 7 -12 hours a day. With usage averaging .45 MGD. The current pumping capacity is 1,313 GPM with the Tunnel averaging 126 gallons per minute.

b.) SWRCB Compliance Order Update

Sheep Creek has not had a reply back from the SWRCB regarding the Notification or the Corrective Action for Sheep Creek. Hector stated that he should have a revised Compliance Order this month. Eric Zuniga was out of the office most of October. Hector has asked for additional production records and meter calibration records and meter calibration test for the wells and he seemed surprised that Sheep Creek has production meters and records. All the production meters were tested for accuracy last spring and submitted to the State Water Board.

c.) Source Capacity Project Update

Katilyn Dodson is completing the initial study and the biologist are completing the surveys for the locations that have been cited for potential well sites. Ms. Dodson has had back and forth conversations with the State Water Board in Sacramento, and has been referred to Hector for coordination with the CEQA and how to proceed with AB52 compliance which is the Native American Historic Resource Protection Act. Additional properties are currently being

investigated for additional well sites if needed. An additional CEQA study may need to be completed if additional wells are needed.

d.) Well 3A Update

Well 3A has been brushed, bore blasted, bottom bailed, dual swab and airlifted. The Bore Blasting will help loosen the gravel pack. The pumping equipment will be scheduled to be installed later this month. The column pipe needs to be replaced along with most of the shaft. A new 13 stage pump will be installed. The new pump has a design to allow additional water to be pumped at a lower water level. The casing and pipework will be extended to 24" above grade, to comply with new standards. The standard when the well was originally installed was 12".

New Business:

a.) 2020 Draft Operating Budget

The 2020 Draft Operations Budget is for review. The budget is for operations only. Estimated income is \$1,351,616 which will include:

- a.) Additional Base Rate for the Well 11 Loan – estimated at \$71,000
- b.) Well Maintenance funds, which will also pay the Well 2A loan- estimated at \$72,000.
- c.) Estimated Mojave Water Agency replacement obligation funds.
- d.) Tier 3 Assessment funds to be used for the Source Capacity Project and Well 11 loan, estimated at \$123,164.
- e.) Tier 3 Capital Improvement funds to be used for the Source Capacity Project, estimated at \$91,000.

The budget reflects an increase in legal and engineering fees due to the SCRCB Compliance Order.

Scheduled Meetings:

- a.) *November 21, 2019 Regular Board of Directors Meeting*
- b.) *December 5, 2019 Board Workshop*
- c.) *December 19, 2019 Regular Board of Directors Meeting*

Meetings have been scheduled with the school district through June 2020.

Closed Session: Employee Evaluation (Began at 7:30 PM.)

Adjournment: Mr. Zody moved to adjourn the meeting. Kellie Williams seconded the motion. Motion carried. The Regular Board of Directors Meeting of November 7, 2019, was adjourned at 7:26 PM.

Respectfully Submitted,

Kellie Williams
Secretary / Treasurer
Sheep Creek Water Company ~ Board of Directors